KINGSPAN GROUP PLC
Interim Management Statement

12 November 2012

Kingspan Group Plc, the leading international provider of low energy building solutions, today issues the following Interim Management Statement for the period from 1 July to 30 September 2012.

Business Performance

Revenue in the nine month period to 30 September was €1.16 billion, up 1.6% on prior year. The pace of sales growth moderated through the third quarter, decreasing by 0.7% compared to the same period in 2011. The Group's overall trading margin increased by 40bps year on year, in line with the margin reported in the first half of the year.

Our Markets

As highlighted previously, sentiment in our end markets was relatively subdued in the first six months of the year, with the Group recording solid progress despite this backdrop. In the period since, sentiment has undoubtedly weakened further, driven in particular by a deepening lack of confidence in Europe and with the US commercial construction market being in somewhat of a holding pattern. Australian construction markets are evidently slowing although Kingspan's sales continue to grow reflecting improving levels of market penetration. Overall, general building activity across a number of the Group's markets has been easing, with some pockets of relative buoyancy including Central and Eastern Europe, most notably Germany.

Divisional Reviews

Insulated Panels

Revenue increased by 3% in the first nine months (quarter three plus 2%) compared with the same period last year. On a constant currency basis these measures were -1% and -3% respectively. In the UK and Western Europe year to date order intake is flat but decreased by 7% in quarter three. Our North American business has seen a relatively subdued sales performance and order intake levels are behind year to date to 30 September by 2% although strongly ahead by 15% in quarter three. Order intake in Central and Eastern Europe was ahead of last year in the period up to 30 September by 4% and also by 4% in the third quarter. The early stage integration of the ThyssenKrupp Construction Group and Rigidal Industries LLC acquisitions, as announced earlier in the year, is fully on track.

Insulation Boards

Revenue in the first nine months was up 3% (quarter three plus 2%) compared with the same period last year. On a constant currency basis these measures were 0% and -3% respectively. Divisional revenues continue to benefit from a strong Kooltherm® business mix across all markets as seen earlier in the year. The UK market was solid overall with some volume weakness evident and the outlook for the near term trending similarly. The market in the Netherlands remains persistently weak with little evidence of any near term recovery.

Environmental

This division is experiencing a tough year owing to a UK market which has weakened considerably through the year and the conclusion of a one-off contract in France as anticipated. Sales in the first nine months decreased by 18% with quarter three decreasing by 27%. A significant restructuring programme is underway which together with the emergence of a higher growth renewables proposition and headway in new markets should position the division for progress in 2013.

Access Floors

Sales in the first nine months were 19% ahead or 11% ahead excluding the Australian acquisition earlier in the year (quarter three up 20% and 10% on the same basis). Like for like sales excluding the acquisition and currency were up 2% year to date and behind by 2% in the third quarter. The trading margin was lower in the third quarter reflecting business mix, growth in international activity and a slowing datacentre market.

Financial Position

Net debt at the end of September 2012 was €222.1m, an increase from €171.2m as at 30 June last reflecting the acquisitions of ThyssenKrupp Construction Group in Europe and Rigidal Industries LLC in the UAE. Net debt is expected to be approximately €200m at year end, which is comfortably within the Group's key financial covenants. The Group has significant operational and developmental financing headroom with its syndicated bank facility of €300m currently fully undrawn.

Outlook

Albeit with much of quarter four remaining, the Group expects to deliver a trading profit of approximately €105m, up 10% year on year, and in line with consensus.

While it is clearly difficult to fully counter persistent economic and construction weaknesses, which have the potential to become more pronounced in early 2013, the structural and global dimensions to Kingspan's business should go some way to offsetting this, as it has done in the past. Growing market penetration, a strong R&D pipeline, resilient refurbishment activity and driving the returns from recent acquisitions should all combine to move Kingspan forward.

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